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Message Text

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15
ORIGIN EB-11

INFO OCT-01 AF-10 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 JUSE-00 OPIC-12

PA-04 PRS-01 USIA-15 /170 R

DRAFTED BY EB/IFD/OIA:BBROOKENS/CNELLIS
APPROVED BY EB/IFD/OIA:MKENNEDY
AF/C:WHSIEFKEN
L/EB: SBOND
AF/EPS:RLOMBARDI
---------- 095915
R 202204Z MAY 74
FM SECSTATE WASHDC
TO AMEMBASSY BANGUI

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E.O. 11652: N/A
TAGS: EIND, EFIN, CT
SUBJECT: NATIONALIZATION OF FOREIGN OIL COMPANIES

REF: (A) BANGUI 468
(B) STATE A-10523 OF DECEMBER 28, 1973

1. APPARENTLY SUDDEN DECISION OF GOCAR TO NATIONALIZE FOREIGN OIL COMPANIES OVER NON-PAYMENT OF EXCESS PROFIT TAX (REF A) SUGGESTS THAT GOCAR HAS PROBABLY NOT THOUGHT THROUGH THE MATTER THOROUGHLY, INCLUDING EFFECT ON ENTERPRISES BENEFICIALLY OWNED BY US NATIONALS AND IMPLICATIONS FOR ITS EFFORT TO ATTRACT NEW FOREIGN INVESTMENT.

2. WHILE USG RECOGNIZES SOVEREIGN RIGHTS OF OTHER GOVERN-
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MENTS, WE ARE CONCERNED ABOUT NATIONALIZATION, IN ANY FORM,

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OF US BUSINESS INTERESTS ABROAD. AS STATED IN THE PRESIDENT'S 1972 POLICY STATEMENT ON ECONOMIC ASSISTANCE AND INVESTMENT SECURITY IN DEVELOPING NATIONS, USG HAS RIGHT UNDER INTERNATIONAL LAW TO EXPECT THAT ANY TAKING OF AMERICAN PROPERTY WILL BE NONDISCRIMINATORY, FOR A PUBLIC PURPOSE AND THAT PROMPT, ADEQUATE, AND EFFECTIVE COMPENSATION WILL BE PAID.

3. EMBASSY IS REQUESTED TO RAISE THIS MATTER IN A LOW-KEY MANNER, EXPLAIN USG EXPROPRIATION POLICY, AND EXPRESS OUR CONCERN THAT THE AMERICAN COMPANIES RECENTLY

NATIONALIZED RECEIVE FAIR TREATMENT AS REQUIRED BY INTERNATIONAL LAW. YOU SHOULD BE GUIDED IN YOUR TALKS BY INSTRUCTIONS INCLUDED IN REF B (BEING POUCHED).

4. COMPANIES VIEWS ON THIS MATTER WILL BE APPRECIATED. RUSH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Draft Date: 20 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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